



Town of Leesburg 2005 Tax Rates

The following is a summary of the taxes to which businesses located within the Town of Leesburg are subject:

♦ **State Income Tax**

Any corporation having income from Virginia sources is required to file and report that income annually. The income tax rate is 6% of computed Virginia taxable income.

♦ **Business, Professional & Occupational License Tax**

Most businesses, including home based businesses, are subject to a gross receipts tax. The tax rate depends upon the type of business, but ranges from 0.10% to 0.25%. A separate fact sheet provides more detailed information.

♦ **Sales Tax**

The combined state and local sales tax rate is 5% (4% state and 1% local), except on food items purchased for home consumption. The local sales tax is collected by Loudoun County and a portion is distributed to the Town of Leesburg. The combined sales tax rate on food items purchased for home consumption is 2.5%, effective July 1, 2005.

♦ **Real Property Tax**

Businesses located within the Town of Leesburg pay real property taxes to both Loudoun County and the town. Real property tax rates for 2005 are listed below. Rates are per \$100 of assessed fair market value.

Town of Leesburg	\$0.21
Loudoun County	\$1.04
Total	\$1.25

♦ **Tangible Personal Property Tax**

The tax on tangible personal property (manufacturing equipment and tools, office equipment, computers, etc.) is based on the original total capitalized cost and the age of the property. Property is taxed at 50% of cost the first year and is reduced 10% each year thereafter until a minimum of 10% is reached. 2004 tax rates (per \$100 of valuation) are listed below.

	Nominal Tax Rate
Town of Leesburg	\$1.00
Loudoun County	\$4.20
Total	\$5.20

♦ **Inventory Tax**

Manufacturers' inventory is not subject to taxation in Virginia. Neither the Town of Leesburg nor Loudoun County impose a capital tax on merchants.

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